Saskatchewan
Finance

Annual Report 2003

Saskatchewan Power Corporation Supplementary Superannuation Plan

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Saskatchewan
Finance

Her Honour, The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor of the Province of Saskatchewan
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4P 3V7

Dear Madam:

Letter of Transmittal

I have the honour to transmit herewith the fourth Annual Report of the Saskatchewan Power Corporation Supplementary Superannuation Plan for the year ending December 31, 2003.

I have the honour to be, Madam,

Your obedient servant,

Harry Van Mulligen
Minister of Finance

Saskatchewan
Public Employees
Benefits Agency

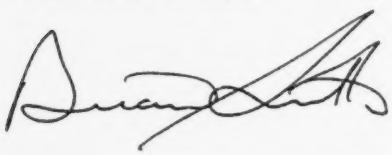
The Honourable Harry Van Mulligen
Minister of Finance
Regina, Saskatchewan

Sir:

Letter of Transmittal

On behalf of the Public Employees Benefits Agency, I have the honour to transmit herewith the fourth Annual Report of the Saskatchewan Power Corporation Supplementary Superannuation Plan for the year ending December 31, 2003.

Respectfully submitted,



Brian Smith
Executive Director

Saskatchewan Power Corporation Supplementary Superannuation Plan

Introduction

The Saskatchewan Power Corporation (SaskPower; the Corporation) established the SaskPower Supplementary Superannuation Plan (the Plan) on January 1, 1988 for the purpose of providing superannuation benefits under this Plan to SaskPower employees enrolled in the Plan (the Participants).

The Plan is not registered as a pension plan under the *Income Tax Act (Canada)*. The Corporation has not established a trust nor does it hold property for the specific purpose of providing benefits to the Participants. Benefits are funded out of current operations of the Corporation.

SaskPower was the administrator of the Plan from January 1, 1988 to March 14, 2000. On March 14, 2000, an Order in Council designated the Public Employees Benefits Agency (PEBA) as the administrator of the Plan.

Enrollment

In order to become a Participant in the Plan, eligible employees (Management Level IV and up) must sign a form agreeing to indefinitely forego their entitlement to 13 banked days off in return for enrollment in the Plan.

As at December 31, 2003 there were 245 (2002 – 251) active Participants in the Plan and 27 (2002 – 22) retired or terminated Participants who receive benefits from the Plan.

Banked Days Earned

On an annual basis, the notional account of each Participant is credited with a sum equal to 15 days of a Participant's salary. The crediting of each sum is deemed to occur on January 1 of each year. In addition, the Corporation may from time to time credit each Participant's notional account with such additional amounts as it deems appropriate. The notional account of each Participant represents a contribution receivable from SaskPower. Notwithstanding the above, in no event shall any amount credited under the Plan be in lieu of compensation payable during the year or a previous year.

Interest

On December 31 of each year, the amounts deemed to be held in the accounts of the Participants are credited with an additional amount equal to the greater of:

i) The percentage yield on the mean actuarial value of the investments by the Power Corporation Superannuation Plan for the year ended September 30 of that year; or

ii) The average rate of interest paid during the year on one year Guaranteed Investment Certificates (GICs) Series B14054 as reported by the Bank of Canada. For this purpose, the rate of interest paid on one year GICs on the first business day of each month shall be used to determine the average rate of interest paid on GICs.

The rate used to calculate the interest credited to the Plan during 2003 was 1.71% (2002 – 1.62%).

Benefits

A Participant's benefit entitlement date is normally January 31 of the year following the year in which the Participant terminates active service with the Corporation.

Upon termination of active service, Participants elect how superannuation benefits are to be paid. In the event of termination of service, the Corporation on behalf of the Plan may pay a Participant's superannuation benefits in a lump sum. However, in no circumstances shall superannuation benefits under this Plan be paid over a period exceeding 5 years.

MANAGEMENT'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

As administrators of the Saskatchewan Power Corporation Supplementary Superannuation Plan, we are responsible for the preparation and presentation of the following financial statements in accordance with Canadian generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The significant accounting policies adopted in the preparation of the financial statements are fully and fairly disclosed in the financial statements.

We believe the Saskatchewan Power Corporation Supplementary Superannuation Plan has a system of internal control adequate to provide reasonable assurance that the accounts are faithfully and properly kept to permit the preparation of accurate financial statements in accordance with Canadian generally accepted accounting principles.

We enclose the financial statements of the Saskatchewan Power Corporation Supplementary Superannuation Plan for the year ended December 31, 2003 and the Provincial Auditor's report on these financial statements.

Brian Smith
Executive Director
Public Employees Benefits Agency

Kathy Morgan, Director
Financial Services
Public Employees Benefits Agency

Regina, Saskatchewan
February 5, 2004

SASKATCHEWAN POWER CORPORATION
SUPPLEMENTARY SUPERANNUATION PLAN

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2003

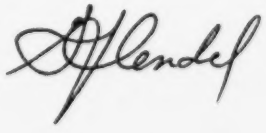
AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of net assets available for benefits of the Saskatchewan Power Corporation Supplementary Superannuation Plan as at December 31, 2003 and the statement of changes in net assets available for benefits for the year then ended. The Plan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as at December 31, 2003 and the changes in net assets available for benefits for the year then ended in accordance with Canadian generally accepted accounting principles.



Regina, Saskatchewan
February 5, 2004

Fred Wendel, CMA, CA
Provincial Auditor

SASKATCHEWAN POWER CORPORATION **STATEMENT 1**
SUPPLEMENTARY SUPERANNUATION PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

AS AT DECEMBER 31

	2003	2002 Restated (Note 5)
ASSETS		
Accounts receivable		
SaskPower contribution receivable	$10,950,584	$10,136,190
Total assets	10,950,584	10,136,190
NET ASSETS AVAILABLE FOR BENEFITS	$10,950,584	$10,136,190

(See accompanying notes to the financial statements)

SASKATCHEWAN POWER CORPORATION
SUPPLEMENTARY SUPERANNUATION PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

STATEMENT 2

YEAR ENDED DECEMBER 31

	2003	2002 Restated (Note 5)
INCREASE IN ASSETS		
Banked days earned	$ 1,250,783	$1,215,758
Interest earned	221,283	198,857
Total increase in assets	1,472,066	1,414,615
DECREASE IN ASSETS		
Benefits paid	(657,672)	(390,389)
Total decrease in assets	(657,672)	(390,389)
Increase in net assets	814,394	1,024,226
NET ASSETS AVAILABLE FOR BENEFITS, beginning of the year	10,136,190	9,111,964
NET ASSETS AVAILABLE FOR BENEFITS, end of the year	$10,950,584	$10,136,190

(See accompanying notes to the financial statements)

SASKATCHEWAN POWER CORPORATION
SUPPLEMENTARY SUPERANNUATION PLAN
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2003

1. Description of the Plan

The Saskatchewan Power Corporation (SaskPower; the Corporation) established the SaskPower Supplementary Superannuation Plan (the Plan) on January 1, 1988 for the purpose of providing superannuation benefits under this Plan to SaskPower employees enrolled in the Plan (the Participants).

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SaskPower was the administrator of the Plan from January 1, 1988 to March 14, 2000. On March 14, 2000, an Order in Council designated the Public Employees Benefits Agency (PEBA) as the administrator of the Plan.

The following description is a summary only. For more complete information, reference should be made to the Plan document.

Enrollment

In order to become a Participant in the Plan, eligible employees (Management Level IV and up) must sign a form agreeing to indefinitely forego their entitlement to 13 banked days off in return for enrollment in the Plan.

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2. Significant Accounting Policies

These financial statements were prepared in accordance with Canadian generally accepted accounting principles.

3. Related Parties

Included in these financial statements are transactions with SaskPower and the Department of Finance (PEBA) who are related to the Plan by virtue of common control by the Government of Saskatchewan.

The Plan has received use of office space and administrative services from SaskPower at no charge. Additionally, PEBA provides administrative services to the Plan at no charge.

4. Fair Value

The fair value of the SaskPower contribution receivable is its carrying value.

5. Prior Period Restatement

In the past, Participants' notional accounts were credited with interest on January 1 each year based on their prior year's notional account balances and the prior year's actual interest rate. During 2003, the Corporation changed this practice retroactively. The Corporation now has adopted the practice of crediting interest to the Participants' notional account balances on December 31 each year based on the current year's actual interest rate (see Note 1).

As a result of this change, net assets available for benefits at the beginning of the year increased by $161,380 (2002 - $391,516), interest earned increased by $24,416 (2002 – decreased by $230,136) and the SaskPower contribution receivable and net assets available for benefits at the end of the year increased by $185,796 (2002 - $161,380).